GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2089
ANSWERED ON:05.08.2005
INTERESTS OF SMALL INVESTORS
Manvendra Singh Shri

Will the Minister of FINANCE be pleased to state:

(a) whether an expert group headed by Justice N. H. Kania has recommended for setting up of a separate Investor Projection Fund for protecting the interests of small investors from fraud by corporate and market intermediaries;

(b) if so, the details thereof; and

(c) the reaction of the Union Government thereto?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a) to (c) Yes, Sir. An Expert Group headed by Mr. Justice M.H. Kania recommended a separate Investors` Protection Fund under the Securities and Exchange Board of India (SEBI) Act for the purpose of investor education and awareness and for compensation to the small investors in respect of fraud or misrepresentations or misstatements by companies or intermediaries. The Report has been put up on the SEBI website for public comments.